

## 095 - Office of State Auditor

### A002 Audit of School Programs

The School Programs audit team assesses school district compliance with legal criteria that must be met as a condition for receiving General Fund monies. There are 296 school districts subject to this audit effort. The team also assists the Special Education Safety Net Committee, works with staff of the Office of Superintendent of Public Instruction on audit resolution, and provides training for school district staff.

	FY 2010	FY 2011	Biennial Total
FTE's	6.5	7.0	6.8
GFS	\$707,000	\$695,000	\$1,402,000
Other	\$0	\$0	\$0
Total	\$707,000	\$695,000	\$1,402,000

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

**Statewide Strategy:** Support democratic processes and government accountability

#### Expected Results

To verify the accuracy of school district data submitted for funding purposes.

Percentage of customers generally and very satisfied with the results of our K-12 audit work.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	90%		
	4th Qtr	90%		

### A001 Administrative Activity

This activity provides for the administration of the Office of the State Auditor.

	FY 2010	FY 2011	Biennial Total
FTE's	13.2	13.1	13.2
GFS	\$34,000	\$15,000	\$49,000
Other	\$1,632,000	\$1,682,000	\$3,314,000
Total	\$1,666,000	\$1,697,000	\$3,363,000

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

**Statewide Strategy:** Support democratic processes and government accountability

*Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast*

### Expected Results

Provide oversight and leadership over programs within the State Auditor's Office including the agency's risk management program.

Percentage decrease in annual dollar amount of idemnities paid for tort claims.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	(5)%		
	4th Qtr	(5)%		
2007-09	8th Qtr	(5)%		
	4th Qtr	(5)%		
Goal is to decrease tort claim payments by 5 percent per year for each of the next three fiscal years.				

## A003 Audits of Local Government

The Office of the State Auditor independently audits local governments at least every three years, with the exception of self-insurance plans, which are audited on a two-year cycle. There are approximately 2,400 local government entities, including counties, cities, schools, ports, public utilities, hospital districts, and fire districts. Auditors use a risk-based approach which focuses on public resources most likely to be at risk of loss or misappropriation. Beyond examining the financial condition, accounting and reporting by local governments, the audits assess compliance with the Constitution, state laws, and local government ordinances. Any report disclosing malfeasance, misfeasance or nonfeasance in office on the part of local government officers or employees is referred to the county prosecuting attorney or federal government for recovery of funds and prosecution. Bond rating agencies rely on these audit reports in performing their assessments. (Municipal Revolving Account - Nonappropriated)

	FY 2010	FY 2011	Biennial Total
FTE's	211.6	213.5	212.6
GFS	\$0	\$0	\$0
Other	\$16,764,000	\$18,084,000	\$34,848,000
Total	\$16,764,000	\$18,084,000	\$34,848,000

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

**Statewide Strategy:** Support democratic processes and government accountability

### Expected Results

To provide independent, quality audits of local governments in accordance with generally accepted government auditing standards at a reasonable cost.

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Average audit satisfaction ratings from local governments.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	4.5		
	4th Qtr	4.5		
2007-09	8th Qtr	4.5		
	4th Qtr	4.5	4.49	(0.01)
The measurement of overall quality includes an assessment of accuracy of fact, fairness, and value. Measurement based on a scale of 1 to 5.				

Average cost of audit compared to total expenditures audited for cities, counties, ports, transits and K-12. Number is a composite number of all entities measured combined.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	0.06%		
	4th Qtr	0.06%		
2007-09	8th Qtr	0.06%		
	4th Qtr	0.06%	0.05%	(0.01)%

## A004 Audits of State Government

The office audits annually the basic financial statements prepared by the Office of Financial Management. This audit includes an examination of internal controls over public resources and compliance with the Constitution and federal and state laws and regulations. The audit meets legal requirements contained in the Congressional Single Audit Act. There are 168 state agencies, boards, and commissions subject to this audit effort, which uses a risk-based approach to focus on public resources at highest risk of loss or misappropriation. Audits of state agencies disclosing malfeasance, misfeasance or nonfeasance on the part of any public officer or employee are referred to the Office of the Attorney General or federal government for recovery of funds and prosecution. Bond rating agencies rely on state government audits in performing their assessments. (Auditing Services Revolving Account)

	FY 2010	FY 2011	Biennial Total
FTE's	60.9	60.6	60.8
GFS	\$0	\$0	\$0
Other	\$5,510,000	\$4,762,000	\$10,272,000
Total	\$5,510,000	\$4,762,000	\$10,272,000

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

**Statewide Strategy:** Support democratic processes and government accountability

### Expected Results

*Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast*

To provide independent, quality audits of state government in accordance with generally accepted government auditing standards at a reasonable cost.

Audit cost containment as measured by the total cost of audit compared to total state expenditures audited.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	0.06%		
	4th Qtr	0.06%		
2007-09	8th Qtr	0.06%		
	4th Qtr	0.06%		

## A005 Investigating Improper Governmental Actions

The Office of the State Auditor administers the state employee whistleblower program which encourages state employees to disclose, to the extent not expressly prohibited by law, improper governmental actions. Improper governmental action means any action by an employee undertaken in the performance of the employee's official duties, which is a gross waste of public funds or resources or in violation of federal or state law or rule, if the violation is not merely technical or of a minimum nature, or of substantial and specific danger to the public health or safety. (Auditing Services Revolving Account)

	FY 2010	FY 2011	Biennial Total
FTE's	7.5	7.6	7.6
GFS	\$(19,000)	\$19,000	\$0
Other	\$486,000	\$813,000	\$1,299,000
Total	\$467,000	\$832,000	\$1,299,000

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

**Statewide Strategy:** Support democratic processes and government accountability

### Expected Results

To investigate and report, in a responsive and unbiased manner, assertions of improper activities in state government.

Percentage of customer's satisfied with the government efficiency hotline process				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	90%		
	4th Qtr	90%		
2007-09	8th Qtr	90%		
New measure				

## A006 Local Government Budgeting, Accounting and Reporting System and Statistics

The Office of the State Auditor, in collaboration with local governments, sets uniform accounting standards for local governments, allowing for consistent reporting of data, timely analysis, and greater public understanding. The office helps local governments meet these standards by providing technical assistance and training. Each year, the office works with local governments to update the Budgeting, Accounting, and Reporting Systems (BARS) for local governments. Annually, the office publishes a compilation of local government comparative statistics, a 10-year history of financial information for comparing entities and analyzing programs. Bond rating agencies often rely on the local government financial reporting system in performing their assessments. (Municipal Revolving Account-Nonappropriated)

	FY 2010	FY 2011	Biennial Total
FTE's	5.7	5.7	5.7
GFS	\$0	\$0	\$0
Other	\$432,000	\$464,000	\$896,000
Total	\$432,000	\$464,000	\$896,000

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

**Statewide Strategy:** Support democratic processes and government accountability

### Expected Results

To establish uniform systems of budgeting, accounting, and reporting for local governments by class and entity type and to collect and report consistent, timely, and reliable local government financial information.

Percentage of users generally and very satisfied with local government budgeting, accounting, and reporting systems.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	90%		
	4th Qtr	90%		
2007-09	8th Qtr	85%		
	4th Qtr	85%	100%	15%

## A007 Performance Audits

The Office of the State Auditor conducts independent performance audits of agencies in the executive, judicial, and legislative branches of government. This authority was granted pursuant to voter approval of Initiative 900 in the 2005 election.

*Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast*

	FY 2010	FY 2011	Biennial Total
FTE's	36.6	36.5	36.6
GFS	\$0	\$0	\$0
Other	\$13,154,000	\$13,101,000	\$26,255,000
Total	\$13,154,000	\$13,101,000	\$26,255,000

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

**Statewide Strategy:** Support democratic processes and government accountability

**Expected Results**

To conduct independent performance audits of state and local government.

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**Grand Total**

	<b>FY 2010</b>	<b>FY 2011</b>	<b>Biennial Total</b>
<b>FTE's</b>	342.0	344.0	343.0
<b>GFS</b>	\$722,000	\$729,000	\$1,451,000
<b>Other</b>	\$37,978,000	\$38,906,000	\$76,884,000
<b>Total</b>	\$38,700,000	\$39,635,000	\$78,335,000